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S E C R E T SECTION 01 OF 04 CANBERRA 000474

SIPDIS

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E.O. 12958: DECL: 05/15/2019
TAGS: [PGOV](#) [PREL](#) [MOPS](#) [CH](#) [AS](#)
SUBJECT: READOUT OF AUSTRALIA'S DEFENCE WHITE PAPER
PRE-BRIEF TO CHINA

REF: A. CANBERRA 454
[1](#)B. IIR 6V 814 1105 09

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Classified By: Political Counselor James F Cole. Reasons: 1.4
(a),(b),(c),(d)

[1](#)1. (S/NF) Summary: Australian Defence Deputy Secretary Michael Pezzullo invited emboffs to hear a readout of Beijing's reaction to his April 27 briefing on Australia's Defence White Paper in advance of its May 2 public release. He said he used the opportunity specifically to disavow recent Australian media reports playing up the White Paper's focus on China's military modernization, and to stress that Australia did not see China as a threat. The Chinese initially appeared quite surprised by the report's references to China and reacted cautiously and negatively; however, by the second briefing, they had tempered their responses. Noting that he had not heard any further reactions from the Chinese since April 27, Pezzullo believed that they were obviously taking their time to mull over the White Paper, but expected to hear further reaction when senior Chinese officials visited Canberra in the coming weeks. Pezzullo's account elaborated on details provided in reftels, but presented the Chinese as displaying a more nuanced reaction than previously reported. He also summarized reactions from the Japanese, Indonesians, and Indians. End Summary.

Chinese reaction

[1](#)2. (S/NF) Australian Defence Deputy Secretary and principal architect of the Defence White Paper Michael Pezzullo told Embassy officials, including the Defense Attache, Political Counselor, and Station Chief, that Defence Minister Fitzgibbon had instructed him to make a "special effort" to brief the United States on his April 27 Beijing trip. Pezzullo started the meeting by distributing a written summary of what he told the Chinese and their reaction (see full text in paragraph 9 below). He said he used his visit specifically to disavow recent media reports playing up the

White Paper's focus on China military modernization and to stress that Australia did not see China as a threat.

13. (S/NF) Pezzullo briefed the Chinese in three rounds. He first met the Deputy Director of the Foreign Affairs Office of the Ministry of National Defense Major General Jia Xiaoning; then Ministry of Foreign Affairs (MFA) Vice Minister He Yafei; and the Deputy Chief of the People's Liberation Army (PLA) General Staff Department's Lieutenant General Ma Xiaotian. Although the Chinese were well briefed on Australian media reports on the White Paper, they appeared quite surprised by the information presented by Pezzullo and initially reacted cautiously and negatively. Characterizing his meeting with Major General Jia as the "bruiser," Pezzullo said a "look of cold fury" washed over Jia's face after hearing the references to China. During each of the briefings, the Chinese asked Pezzullo to revise the description of the regional security environment. In particular, they were concerned with the paragraph describing Chinese military modernization as appearing "potentially to be beyond the scope of what would be required for a conflict over Taiwan." Despite their initial reaction, by the second briefing, the Chinese had tempered their response, Pezzullo said, characterizing MFA Vice Minister He Yafei as "extremely smooth." The PLA colonel who escorted Pezzullo to his outbound flight made one last attempt to have the line on contingencies beyond Taiwan removed by trying to appeal to Pezzullo's "intellect and sophistication." Pezzullo said he responded firmly that the White Paper would not be changed, and that he had not come to negotiate it.

14. (S/NF) Pezzullo said Australia had not heard any further Chinese reactions since April 27 and believed they are taking their time to mull over the White Paper, but expected to hear

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further reaction when senior Chinese military officials visited Canberra in the coming weeks. Pezzullo said the real test would come when the Chinese deconstructed chapter six, on Australia's defense policy and strategic posture, and chapter seven, outlining the principal task for the Australian Defence Force. Pezzullo also noted that if Australia had used the White Paper to announce plans for the joint U.S.-Australia space radar program, the Chinese might have paid more attention to the sections on cyber warfare.

Japanese reaction

15. (S/NF) Japan was "shocked" by White Paper's stated intentions to double the size of Australia's submarine force to twelve submarines and the fiscal implications of the commitment, Pezzullo said. The Defense Vice Minister did a "double take" and noted that Japan had only 16 submarines. When asked by a more junior officer about the rationale behind the increase, Pezzullo said Australia was not responding to any threats but attempting to upgrade its capacity. The Japanese, who were briefed one day before Pezzullo traveled to China, predicted that Pezzullo would have "interesting meetings in Beijing." Deputy Foreign Minister Sasae, who was previously Japan's Six-Party Talks negotiator, said while negotiating with China would continue to be difficult, he had not given up on China's potential to take its role as a responsible stakeholder.

Other regional reactions

16. (S/NF) The Indonesian said they believed the White Paper's objectives, even the long-range, land-attack missiles, were consistent with Australia's policy of the last 30-60 years. Pezzullo, however, noted that their body language suggested they questioned Australia's intentions

behind its far-reaching expansion.

17. (S/NF) The Indians appeared "pleasantly surprised" that Australia made the effort to brief them prior to the White Paper's public release, noting it was the first time Australia had done so. They were also surprised by the paragraph declaring the Indian Ocean would join the Pacific Ocean "in terms of its centrality to Australia's maritime strategy and defense planning," and said they looked forward to their continued cooperation with Australia. Pezzullo said Prime Minister Rudd was keen to include that paragraph. The Indian Ocean had always been central to Australia's strategic planning but had not been highlighted until now. Australia wanted to continue working with India on a range of issues, including disaster and humanitarian relief, counterterrorism, and anti-piracy.

Domestic reaction

18. (S/NF) Defending the White Paper against domestic criticisms on its focus on China and costs for the programs, Pezzullo said the government was prudently planning for future security. He noted that the opposition's questions on costs and accountability were "managerial rather than strategic disagreements."

Comments

19. (S/NF) Pezzullo's account of the Chinese reaction elaborated on details provided in reftels, but presented the Chinese as displaying a more nuanced reaction than previously reported. While the Chinese were clearly prepared to press

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hard for changes, for example, neither in the summary handout or his oral briefing did Pezzullo refer to any express or implied threats. While he left open the prospect that China might express its displeasure by "throttling back" on some bilateral activities, he did not mention the denial of the ship visits mentioned reftels. In his readout, Pezzullo made clear that top levels of the GOA wanted the account of China's reaction to his pre-brief to be conveyed to senior USG levels.

Begin Text

SECRET REL AUS/US
DEPUTY SECRETARY WHITE PAPER VISIT TO CHINA

On 27 April 2009, then Deputy Secretary White Paper Michael Pezzullo (DEPSEC WP) briefed senior officers from the People's Liberation Army (PLA) and the Ministry of Foreign Affairs on the contents of the Defence White Paper ahead of its public release. The briefings were held in three rounds. The first was to the Foreign Affairs Office of the Ministry of National Defence (Major General Jia Xiaoning); the second was to the Ministry of Foreign Affairs (Vice Minister He Yafei); and, lastly, DEPSEC WP briefed the Deputy Chief of the PLA General Staff Department (Lieutenant General Ma Xiaotian).

The PLA was, as always, well briefed and well prepared for these meetings. The Chinese appeared genuinely appreciative of Australia's gesture in providing a confidential, and detailed, advance briefing directly from the White Paper's author.

The Australian brief outlined the historical background to the White Paper, its key assumptions and conclusions, and details of planned defence acquisitions contained in it. DEPSEC WP used the opportunity specifically to disavow recent

media reports playing up China's military modernisation, and stressed that we did not see China as a threat.

China's initial response to the briefing was cautious and negative. Its main concern was that the White Paper indirectly identified China as a threat and the PLA said it wanted Australia to reconsider our description of a more challenging regional security environment.

Throughout the visit DEPSEC WP chose to refrain from engaging in extensive argument but he made clear that:

- The Chinese White Paper had been reviewed and taken into account in the draft text of the Defence White Paper.
- Based on any objective reading of the document the Chinese would see that there was no so called 'China threat' thesis built into the 'code' of the Australian White Paper.
- Australia would not be redrafting passages of the document, as sought by the Chinese, particularly the paragraph dealing with the structure and pace of China's military modernization and referring to Taiwan.
- We place great importance on strengthening, broadening and deepening our bilateral Defence engagement.

China seemed concerned that readers of the White Paper (other countries, Australian and international media, nationalist Chinese citizens) will draw from the indirect references to China's military growth conclusions about a threat from QChina's military growth conclusions about a threat from China. This would undermine China's diplomatic campaign to debunk what it calls disparagingly the 'China threat theory'. Despite assurances from interlocutors that China is not taking media reports about the White Paper seriously, media reaction in Australia to the White Paper will have some influence on China's response.

Once the PLA has had time to digest the White Paper more fully, it may also have concerns over aspects of the force structure that the document envisages for Australia, though such concerns are likely to be of a lesser order to its

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annoyance at the 'naming and shaming' aspect. We would be surprised if China allowed concerns over the White Paper to impact on the overall bilateral relationship, but it may choose to express its displeasure by throttling back temporarily on some bilateral defence activities. To date, our Post in Beijing reports that there have been no indicators that China will choose this course of action. Chinese analysts briefed on the White Paper were not overly concerned about references to China and while PLA staff have engaged in debate with Post, they have been willing to continue ongoing bilateral arrangements.

SECRET REL AUS/US

End text.

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